

SUNSHINE CLINIC: An Example of Collaboration.



**Project Description:** The Sunshine Community Health Clinic, located in Talkeetna, is approximately 12,000 square feet, and serves the communities of Talkeetna, and Trapper Creek, and the Upper Susitna Valley. The clinic opened in mid-January 2004.

The clinic project is an excellent model of collaboration and funds leveraging across agencies to bring critical infrastructure projects to fruition, as shown in the table below. Under the skilled project management of the staff and board of the Sunshine Clinic the project was completed as planned, on schedule, and on budget.

Funder	Amount
Denali Commission Funding	\$1,049,000
U.S. Department of Agriculture – Rural Development	\$2,611,400
Providence Hospital	\$250,000
Mat-Su Borough – pass through of CDBG grant	\$410,000
Alaska Mental Health Trust Authority	\$20,000
Waterfall Foundation (Nancy Murkowski)	\$20,000
Valley Healthy Communities (Valley Hospital non-profit)	\$100,000
Murdock Charitable Trust	\$100,000
Local contributions	\$13,000
Sunshine Clinic capital and in-kind	\$345,000
Rasmuson Foundation	\$287,500
Total Project Funding:	\$5,205,900

For additional information relating to the Commission’s work with governmental coordination, please review the Commission’s website [www.denali.gov](http://www.denali.gov) or contact:

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MEMORANDUM OF UNDERSTANDING

Background

The Denali Commission Act of 1998, as amended (Division C, Title III, PL 105-277) (Act) states that the purposes of the Denali Commission are to:

- 1. Deliver the services of the Federal Government in the most cost-effective manner practicable by reducing administrative and overhead costs;
- 2. Provide job training and other economic development services in rural communities, particularly distressed communities; and
- 3. Promote rural development, provide power generation and transmission facilities.

The Act recognizes that these purposes can only be accomplished through a collaborative, coordinated effort by the State of Alaska and federal agencies. The state and federal agencies signing this agreement recognize the above benefits can only be furthered if all agencies work in a collaborative and coordinated effort.

Purpose

This Memorandum of Understanding (MOU) outlines an interagency agreement to facilitate the collaboration and coordination necessary to achieve the purposes of the Denali Commission and related missions of agencies who are parties to this MOU.

State Signatories:

- Office of the Lt. Governor  
Department of Community and Economic Development  
Department of Education and Early Development  
Department of Environmental Conservation  
Department of Health and Social Services  
Department of Labor and Workforce Development

Department of Natural Resources  
Department of Revenue
- Department of Administration  
University of Alaska  
Department of Corrections

Department of Fish & Game  
Department of Law  
Department of Military and Veterans Affairs  
Department of Public Safety  
Department of Transportation and Public Facilities

Federal Signatories:

- U.S. Department of Housing and Urban Development  
U.S. Army Corps of Engineers  
U.S. Department of Agriculture  
U.S. Environmental Protection Agency  
U.S. Department of Health and Human Services

Denali Commission  
U.S. Department of the Interior  
U.S. Department of Transportation  
U.S. Department of Commerce

In addition to the Federal and State Co-Chairmen, the Denali Commission Act provides for a five member panel of statewide organization presidents, or their designees, to be appointed by the Secretary of Commerce:

- ◊ President of the Alaska Municipal League
- ◊ President of the Alaska Federation of Natives
- ◊ President of the University of Alaska
- ◊ Executive President of the Alaska State AFL-CIO
- ◊ President of the Associated General Contractors of Alaska

The law further provides that the Governor of Alaska serve as the State Co-Chairman. The Federal Co-Chairman is nominated by the Senate and the House of Representatives and appointed by the Secretary of Commerce.

Initially, membership of the following MOU workgroups consisted of only those agencies that signed the Denali Commission MOU. To allow for maximum stakeholder participation work group membership is now open to any agency or organization that wishes to participate. Appointment to work groups is made by the MOU Implementation Chair with concurrence of Commission Co-Chairs.

Work Group	Lead Agency	Tasks	Major Accomplishments	Objectives 2004-2005
Sustainable Utilities	<p>USDA Rural Development Alaska Department of Environmental Conservation</p> <p><u>Co-Chairs:</u> Bill Allen, State Director USDA Rural Development (907) 761-7701 Ernesta Ballard, Commissioner Alaska Department of Environmental Conservation (907) 465-5065</p>	<p>◇ To monitor and promote the implementation of a list of recommendations developed by the Work Group.</p> <p>◇ Membership of the Work Group includes relevant federal and state agencies, plus utility associations, non-profits and utility organizations involved in different aspects of electric power, water and sewer, solid waste and bulk fuel utilities in rural Alaska.</p>	<ul style="list-style-type: none"><li>◆ Standard sustainability definition accepted by Denali Commission and its partners.</li><li>◆ Up to 10% of USDA Rural Development Rural Alaska Village Grant program funds can now be used for sanitation planning.</li><li>◆ Standardized business plan template developed by DCED and is now being utilized.</li><li>◆ Alaska Energy Authority bulk fuel projects include a Secondary Operator Agreement that takes effect as needed.</li><li>◆ A standardized chart of accounts has been developed through the joint efforts of RCA, DCED’s RUBA program and the Alaska Energy Authority.</li><li>◆ A two-day retreat to revisit and review needs and priorities for rural utilities was held September 11-12, 2003.</li></ul>	<ol style="list-style-type: none"><li>1. Petition the RCA for regulatory changes to allow future capital replacement costs of water and sewer utilities to be included in the rate base.</li><li>2. Define “sustainability” in quantified terms and prepare specific criteria to be used to determine if infrastructure constructed with grant funds will be sustainable.</li><li>3. Develop a proposal to set aside a portion of new utility grant funds for future capital costs. This effort is intended to identify how to handle these set-aside funds and to establish a protocol for calculating the set-aside amount.</li><li>4. Develop recommendations for use by granting agencies to develop or modify criteria used to allocate grant funds among competing applicants.</li><li>5. Establish incentives for the consolidation of utility systems.</li><li>6. The Denali Commission should pilot a competition to reward innovation in sustainable utility projects.</li></ol>
Housing and Infrastructure	<p>Alaska Housing Finance Corporation (AHFC) <u>Chair:</u> Dan Fauske, Executive Director/CEO (907) 330-8452</p>	<p>◇ To address rural infrastructure planning and coordination issues, such as interrelated housing and utilities projects and the availability of housing for rural professionals such as teachers and nurses.</p> <p>◇ Membership of the Work Group includes relevant federal and state agencies, regional housing authorities and other non-profits.</p>	<ul style="list-style-type: none"><li>◆ Village Safe Water funds may now be used to develop water and sewer infrastructure for HUD-assisted housing.</li><li>◆ AHFC developed a white paper for rural teacher housing which resulted in the creation of two coordinated teacher housing program, one with the participation of the Denali Commission.</li><li>◆ AHFC has two funded applicants under the Rural Teacher &amp; Health Professionals Program and the Denali Commission intends to fund an additional two applicants.</li><li>◆ HUD and its partners sponsored a highly successful three-day “Building Our Communities” workshop held April 6-8, 2004.</li></ul>	<ol style="list-style-type: none"><li>1. Define priorities for Elder Assisted Living / Supportive Housing.</li><li>2. Develop procedures to insure proper planning and coordination of new housing and infrastructure; including identification of funding sources for each component and the roles of the different partners.</li><li>3. Expand programs designed to provide standard housing for teachers, health professionals and law enforcement personnel stationed in rural Alaska.</li><li>4. Promote collaborative funding for research of healthy, durable and economically sound housing in rural Alaska.</li></ol>
Planning	<p>Alaska Department of Community and Economic Development (DCED) <u>Chair:</u> Gene Kane, Director Division of Community Advocacy (DCA) (907) 269-4580</p>	<p>◇ To promote inter-agency coordination in community planning, community mapping, regional funding summits, regional governance, and economic and workforce development.</p> <p>◇ Membership of the Work Group primarily consists of representatives from relevant federal and state agencies. Participation by local governments and other entities is regularly scheduled.</p>	<ul style="list-style-type: none"><li>◆ Community plan checklist has been developed to assist local entities to describe local infrastructure priorities. Community and regional plans are being collected and are accessible through DCED.</li><li>◆ Initiative for Accelerated Infrastructure Development (community aerial mapping program) has been expanded through inter-agency cooperation and funding to include DCED, DOT&amp;PF, USDA RD, and the Denali Commission. These maps provide a basis for community planning.</li><li>◆ USDA Rural Development obtained FY 2004 funding for a community planning pilot project.</li><li>◆ Regional Funding Summits and the Building Our Communities Conference have received support to facilitate local access to governmental agencies that can assist in funding community infrastructure projects.</li><li>◆ Core definitions have been established to increase general understanding among MOU partners.</li></ul>	<ol style="list-style-type: none"><li>1. Finalize regional support incentives and get Commission approval. Distribute to MOU partners and encourage implementation.</li><li>2. Refine methodologies for the development of community plans, and initiate community planning forums and training.</li><li>3. Continue to promote and enhance the DCED / IAID community mapping. Support the map update process as well as storage for easy access and utilization. Promote the completion of the 14 (c) (3) plans for rural communities.</li><li>4. Identify major regional planning initiatives that have economic, workforce development, and community implications that should be supported by the funding agencies.</li><li>5. Promote pre-construction checklist to project funding agencies.</li></ol>
Insurance	<p>Alaska Municipal League, Office of the Lt. Governor and DCED <u>Chair:</u> Rachael Petro Lt. Governor’s Office (907) 271-1425</p>	<p>◇ To work with stakeholders (communities, industry, regulators and investors) to help ensure that insurance or other risk management alternatives are available to rural communities.</p> <p>◇ Membership of the Work Group includes relevant federal and state regulatory and construction agencies, utilities and insurance industry providers.</p>	<ul style="list-style-type: none"><li>◆ An insurance coverage survey was conducted in 11 rural communities.</li><li>◆ Alternatives to reduce insurance costs for publicly funded infrastructure have been broadly defined.</li><li>◆ Possible insurance and reinsurance alternatives have been researched and outlined.</li></ul>	<ol style="list-style-type: none"><li>1. Continue efforts to identify affordable insurance options for rural communities. Review options for broadening insurance coverage for publicly funded infrastructure. Some options may need changes in State law or regulations.<ul style="list-style-type: none"><li>(a) Identify and develop additional alternatives to help reduce the cost of insurance in small Alaska communities, e.g. a loss limit approach or development of an association formed by government agencies.</li><li>(b) Investigate the feasibility of developing a coordinated reinsurance plan and an agency-funded reinsurance pool, to be overseen by the State Division of Insurance.</li></ul></li><li>2. Require insurance of publicly funded infrastructure for its lifetime; including incorporation in grant agreements. Educate communities on the importance of insurance coverage.</li></ol>